

## **HIRING UTILITY CONSULTANTS MAY VIOLATE NEW CHARTER - Times-Picayune, The (New Orleans, LA) - January 13, 1996 - page B1**

January 13, 1996 | Times-Picayune, The (New Orleans, LA) | ALFRED CHARLES Staff writer | Page B1

The New Orleans City Council is poised to rehire a slate of consultants to help it regulate New Orleans Public Service Inc., but the action might violate the city's newly revised charter.

The Utility Committee voted this week to continue the council's longstanding relationship with several law firms and other consultants at a cost of \$3.8 million in 1996.

The full council could take up the issue Thursday. Because six of the seven council members were on hand for the committee vote, there is little doubt that the arrangement will win approval.

But the council appears not to have taken into account a provision in the package of charter revisions that voters approved in November and which took effect Jan. 1.

That provision says the council and the administration must establish competitive selection processes before awarding most professional service contracts.

Such contracts cover services provided by attorneys, architects, accountants and others that are not subject to public bid laws. They have long been a major source of political patronage, with supporters of officeholders getting most of the contracts. The charter revision was designed to reduce that abuse and ensure that the best qualified consultants get the work.

Mayor Marc Morial and the committee he formed to revise the charter said the provision would significantly improve city government.

According to the amended charter, the mayor sets the criteria for the competitive selection process for contracts awarded by the executive branch; the council establishes the criteria for its contracts.

The criteria must be published in the city's official journal and must be debated at a public hearing at least seven days before they are implemented.

The council's staff has been working on the terms of a selection process said to be modeled after one used by the New Orleans Dock Board. But council members have not held a public hearing on the process, and there was little debate during this week's committee meeting on whether to retain the same team of **utility consultants**.

But Gary Groesch, executive director of the Alliance for Affordable Energy, a consumer watchdog group that has been critical of bills run up by the council's consultants, said the council should revise its selection process.

"All this work should be bid out," Groesch said Friday. "I believe money could have been saved" if the work had been bid out.

The council plans to pay Verner, Liipfert, Bernhard, McPherson and Hand, a Washington, D.C., law firm, \$1.25 million; the Legend Consulting Group, based in Denver, \$1.25 million; Carter and Cates, a New Orleans law firm, \$660,000; Wilkerson and Henry, another local firm, \$525,000; the Washington Utility Group, a consulting firm, \$69,000; John Farmikades, a retired judge who mediates utility disputes, \$25,000; and David M. Griffith and Associates, \$14,500.

The \$3.8 million the council expects to pay the consultants in 1996 is \$800,000 less than it spent in 1995. NPSI reimburses the council for its **utility consultants**, but Groesch said the company charges customers higher rates to cover the consulting fees.

Councilman Jim Singleton, chairman of the Utility Committee, said before the vote that the council would monitor the consultants' spending. The city, facing a severe budget crunch, would not be able to hire the consultants if NPSI were not reimbursing the city for their work, he said.

Michele Moore, spokeswoman for Morial, said she could not say if the administration has signed any new professional service contracts since Jan. 1.

\*\*\* 75 likely to be laid off \*\*\*

The long-threatened process of laying off city workers to help make up a budget shortfall created when the Harrah's casino project collapsed has begun.

The Civil Service Commission began Friday to determine which employees will get the ax. It is estimated that about 75 will have to go.

When Harrah's Jazz Co. filed for bankruptcy protection Nov. 22, closing its temporary casino and halting work on the permanent casino, it created a \$23.6 million hole in the city's 1996 operating budget. Morial first said that up to 1,000 workers might have to be laid off, but that number has been sharply pared back.

Under city rules, each department head must notify Civil Service which classes of workers will be affected and the number of positions that will be cut.

The commission then begins the lengthy process of determining which workers actually lose their jobs, based on seniority and other factors. It could take up to 45 days before any workers lose their jobs.

Morial's spokeswoman said she did not know what job categories the administration had selected."